

CORRECTED FISCAL NOTE

SB 2787 - HB 2857

March 20, 2002

SUMMARY OF BILL: Establishes for tax years beginning on or after December 15, 2002, that remaining liability of franchise and excise tax of insurance companies after application of premium tax credit shall be reduced by 100 percent.

ESTIMATED FISCAL IMPACT:

On March 12, we issued a fiscal note on this bill indicating a *minimal impact*. The purpose of this corrected note is to further expand on the impact statement as follows:

Other Fiscal Impact – Minimal, as written, since the bill will allow companies to continue to deduct the value of stock held in insurance companies from their franchise tax base, as they currently do. However, in the absence of the bill, franchise taxes would increase by an amount estimated to exceed \$5,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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